

RIVECO GENERALSIDER S.P.A. - General Conditions of Sale

1. PREAMBLE

These general conditions of sale are deemed to be generally known by any customer purchasing from Riveco GeneralSider S.p.A. because published on the www.rivecogeneralsider.it corporate website and attached to our order confirmations.

2. PARTIES OF THE CONTRACT

- 2.1. Seller shall mean Riveco GeneralSider S.p.A., hereinafter referred to as RGS, supplier of the materials and/or the services falling within the scope of the sale, which shall invoice the materials and/or the services thereof.
- 2.2. Purchaser shall mean the entity after which the the order confirmation and the relevant invoices regarding the items and/or services hereof are named.

3. ORDER CONFIRMATION - ACCEPTANCE

- 3.1. The supply shall exclusively comprise the services, items and quantities stated in the order confirmation, issued by RGS in writing and countersigned for approval by the Purchaser.
- 3.2. Any condition stated by officers or agents of RGS shall be devoid of any value unless reproduced in the wording of the order confirmation.
- 3.3. The supply relationship shall be exclusively governed by the covenants contained in these general conditions of sales and by those stated in RGS's order confirmation. The parties may agree any amendment, integration or derogation to the above mentioned general conditions of sale, which shall be reproduced in writing by the order confirmation, with the relevant approval of the Purchaser. In case of any incompatibility on individual matters, between the provisions of these general conditions and the provisions of the order confirmation, the specific provisions of the order confirmation shall prevail.
- 3.4. Any order confirmation for which a term of validity is stated shall be deemed as binding for RGS if the acceptance by the Purchaser is delivered to RGS within the previously agreed term. In the case which the acceptance is delivered after the agreed term, RGS shall be entitled to opt to accept or not.
- 3.5. The quotation for the product is provided by RGS Sales Office in Chieti and prices are expressed in Euro per kilogram or in Euro per metre (or different UM).

4. SHIPPING OF THE ITEMS

- 4.1. Shipping of the items falling within the scope of the sale shall be performed according to the procedures stated by the order confirmation and cared by RGS, unless differently and specifically provided by the order confirmation thereof.
- 4.2. The supplied items, unless different and specific provision to be included in the order confirmation, shall be always delivered Ex-Works RGS plant, loaded, and therefore shall be shipped at the Purchaser's own risk. In the case which the sale price includes the shipping costs to destination, the freight shall be deemed as provided by RGS on behalf of the Purchaser and therefore at its own risk.
- 4.3. The direct collection of the product by the Purchaser may be performed upon previous approval by RGS as stated in the order confirmation. In case of late collection the Purchaser shall be charged with the costs for the unguarded storage at a daily rate of € 0.20 per square metre. In any case, RGS reserves the right to terminate the agreement in part or in full or to ship - charging the purchaser with the freighting costs as provided by point 4.2 above - the ready items to the known address of the Purchaser, if:
 - a) fifteen days are passed from RGS notice of goods ready for shipment without the Purchaser thereof collecting the items;
 - b) RGS was not in condition to ship the items due to lack of instructions from the Purchaser.

5. DELIVERY OF THE ITEMS

Unless differently provided, which shall be expressly contained in RGS's order confirmation, any delivery of items shall take place only and exclusively at RGS's plants. Any liability for the condition of the items shall be transferred to the Purchaser only upon hand over to the freighter at the sites stated hereinabove. Therefore, once the hand-over to the freighter is completed any further liability of RGS shall lapse and the risks related to the shipment of the items shall be borne by the Purchaser. The anchoring and the tightening of the items on the loading bed of the vehicle as well any checks on the safety of the loads shall be responsibility of the freighter.

- 5.1. Any exception, complaint or legal action arising or in any way connected to transport and any following operations shall be moved and/or proposed by the Purchaser only towards the freighter being RGS not liable for anything occurred after the handing over of the items to the freighter thereof.
- 5.2. With regards to any shipment provided by RGS using road vehicles a 3 per thousand tolerance on the shipped weight is admitted for items invoiced by weight. Any difference falling within this threshold shall not provide any ground for any complaint nor imply any modification to the overall amount of the invoiced price. Any cost regarding the weight checking upon delivery shall be fully borne by the Purchaser. In

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order to exercise said right, the Purchaser shall write, under penalty of nullity, any complaint on the reverse face of the shipping document of the goods, attaching thereto, with regards to complaints related to items invoiced by weight, their weighing card, issued by a public weigh bridge, evidencing the actual weight measured upon delivery of the goods. Furthermore, under pain of nullity, the shipping documents shall be then signed by the Purchaser and by the freighter or one delegate thereof and shall be handed-over to the latter to be forwarded to RGS.

- 5.3. If the buyer requests that the weight and the tare will be recognized departing by the Railway Administration or by another organization, this expenditure is totally up to the same buyer.
- 5.4. In case the shipment is made at the expense of RGS on behalf of the Purchaser, the unloading of the material falling within the scope of the sale and the subsequent handling is at full care and responsibility of the Purchaser. For such shipments, the Purchaser must observe the following rules for the unloading of the material: i) obtaining in the place and at the agreed time suitable means for the unloading of the items, taking into consideration the place of unloading, the kind and weight of the material to unload; ii) for the unloading of the material, Purchaser must use its own personnel, since the driver of the truck is not allowed to help for this scope; iii) complete the unloading of the material as soon as possible and not later than two hours after the arrival of the truck in the agreed place of delivery; iv) indicate a place for the unloading which is accessible in complete safety to trucks with flat bed having a payload up to 28 tons. The costs incurred by the RGS due to non-compliance with the aforementioned regulations will be charged to the Purchaser...
- 5.5. During the unloading and subsequent handling stages of the items the Purchaser is advised to employ suitable methods and equipment in order to protect the quality of the material and the safety of the employed staff.
- 5.6. In case of failed collection of the items after the notice of goods ready for shipment or the inability to ship the items due to lack of instructions from the Purchaser on the transport procedures, the items shall be deemed as delivered at RGS Works and shall be invoiced as not loaded. Recurring said cases the title and the responsibility of the products sold and stored at RGS shall be transferred to the Purchaser. The warehousing of the material invoiced as not loaded shall be performed without any obligation of custody and in open air at RGS's yards, RGS declines each and every liability for any deterioration or decay of the items, due any cause which is not imputable to RGS's control

6. DELIVERY TERMS

- 6.1. Any preparation, inspection notification, shipment or delivery terms, stated in our order confirmations are provided for reference purposes only and are not final and are always stated without any warranty thereto, excepting the case of a binding commitment from RGS, which shall be expressly stated in the order confirmation and without prejudice, in this case as well, for any unexpected event, further than Acts of God, which may concern the sites wherein said orders are processed. Any delay shall not, therefore, provide any ground for any claim for compensation of any damage or the termination, even in part, of the agreement unless said implications were expressly accepted by RGS in its order confirmation.
- 6.2. In any case, the delivery time shall be deemed as met with the written notice of goods ready for shipment or testing.
- 6.3. The cases suitable to relieve RGS from any liability for failed or delayed delivery, shall include also the case of shortages of raw material or electric energy, machinery failure interruption of railway service or other services related to the freight of the goods, shortages of vehicles or freight wagons, mobilization, blockage or war even in supplier Countries of raw materials, labour troubles, occupation of plants, lockouts, floods, public calamities etc., as well as any measure and order issued by the governing Single Commission of the European Union, aiming to provide a limitation and in any case to govern the consumption of raw materials and the production and distribution of steel and finished products.

7. PACKING

- 7.1. RGS shall perform the packing according to its own experience and the customs of the industry and shall be expressly relieved from any liability for any loss or failure.
- 7.2. The use of specific packaging, or the exclusion of any packaging in the case of goods for which it is normally used, shall be requested by the Purchaser upon ordering. For any special packaging, the Purchaser shall be charged with an additional fee, which shall be separately stated in the order confirmation.
- 7.3. The tare weigh of the packaging (standard packaging included), shall be invoiced as actual goods, unless different agreement which shall be expressly stated by the RGS order confirmation.
- 7.4. The packaging shall be disposable because the return thereof is not provided and any disposal thereof shall be fully borne by the Purchaser.

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8. INSPECTION AND TESTING

- 8.1. RGS guarantees the compliance of the sold goods with the specifications listed in the order confirmation. Any product directly manufactured by RGS is subject to internal checks during productions according to the technical rules and the applied quality procedures. If so expressly provided in the order confirmation, the purchaser may take part in internal testing employing its own inspectors. In such a case, RGS shall notify the Purchaser of the beginning of the production, so that the Purchaser shall be in the position to give timely instruction to the Entity appointed by it with the task to take part in the internal testing. Any further testing on the goods following its production must be requested by the Purchaser and expressly accepted by RGS in the order confirmation; it can be performed only at the RGS's premises prior to shipment or hand-over for freighting, following the notice of goods ready for shipment issued by RGS and shall be entirely borne by the Purchaser.
- 8.2. The inspection can be performed according to the National, European or International standards applied by RGS for manufacturing pipes or according to the Specifications of the Inspection Authorities or according to specific instructions as provided by the order confirmation. Any testing on the goods performed by the Purchaser shall be deemed as redeeming for any purpose. The fees of external inspection agencies (official agencies or entities appointed by the Purchaser) shall be fully borne by the Purchaser.
- 8.3. In the case which the testing must be performed by the Purchaser, if the appointed officers do not start the testing operations thereof within the scheduled days for the production of the ordered goods, for any cause beyond the control of RGS, the testing shall be deemed as waived by the Purchaser and that the items were by implication approved by the latter. Recurring such a case, RGS shall be entitled to perform the relevant shipment and/or perform the further processing and manufacturing.
- 8.4. Any product rejected during the inspection shall imply, for RGS, the sole obligation of its replacement in the shortest time possible without any right for the Purchaser to claim any damage and the refund of any cost incurred for whatever reason.
- 8.5. In the case which the testing must be put on hold upon request from the Purchaser, and in the case which said suspension is accepted in writing by RGS, the Purchaser shall be charged with any further expense and cost, direct and indirect, arising from this suspension.

9. WARRANTIES

- 9.1. RGS guarantees that the supply of the items complies with the specifications and conditions stated by the order confirmation.
- 9.2. No further warranty than the mere compliance to the current legislation is granted for uncoated metal surfaces. Uncoated metal surfaces lack temporary protection coating. RGS is relieved from any liability related to oxidation episodes, in consideration of the fact that they are probable events.
- 9.3. Specific warranties and/or certifications may be issued, if specifically requested by the Purchaser, and stated in the order confirmation.
- 9.4. Any warranty shall lapse with regards to any improperly used items and for different applications from those the goods were supplied for and for any procedure which is not compatible with the guaranteed chemical, physical and mechanical features.
- 9.5. Any item showing manifest faults must not be used by the Purchaser; differently the Purchaser shall lose any warranty right.
- 9.6. RGS declines any liability in case of any repair performed by third parties.
- 9.7. The warranty obligation met by RGS shall not be extended to the repaired parts.

10. NON COMPLIANCES FOUND BY THE PURCHASER

- 10.1. Complaint terms and procedure.
Any complaint of the purchaser arising from items which are allegedly non compliant with the provisions of RGS's order confirmation, without prejudice for those listed by point 5.3 above, must be proposed and notified, on pain of forfeiture, to the RGS headquarters, in writing, within the maximum deadline of 15 (fifteen) calendar days from the day of reception of the goods. Any latent defect shall be reported in writing, on pain of forfeiture, within 8 (eight) calendar days from their discovery, and in any case within 90 (ninety) calendar days from the day of reception of the product. The report of the non compliance shall be complete of the following supply data: a) order confirmation number; b) order confirmation position number; c) shipping document; d) other tracking identification elements (profiles, length, quality, heat number, marking); e) status of the goods upon complaint (such as supplied, processed, installed etc.); f) description of the non compliance and the process stage wherein it was found; g) non compliant quantity; h) the contested quantity; i) the proposed solution, if any.
- 10.2. Items supplied to distributors and by the latter to final users.
The non compliance found by final users on product supplied by distributors shall be reported by the latter to RGS according to the provisions and to the terms set by point 10.1, and complete of check documents which shall be consistent with the originals.
- 10.3. Handling of non compliances.
RGS must be allowed to review the grounds of the complaint either through the review of the contested quantity, delivered to RGS by the Purchase upon request, or through a visit at the Purchaser's premises, if so agreed.
Any item found as non compliant shall be segregated in the same condition it had upon delivery and kept available up to the final settlement of the complaint even if sold or processed by a different company than the Purchaser.

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The decision of the Purchaser and/or the user to start the processing or to perform the installation of the contested goods without previous approval from RGS shall not give rise to any right to compensation. The potentially concerned batch of goods shall be identified by delivery lot and shall be segregated until the non compliance is settled.

The decision of the Purchaser and/or the user to start the processing or to perform the installation of any other items belonging to the same lot or to further carry on with the processing / installation or to perform any restoration to compliance without the prior approval of the supplier, RGS, shall not give rise to any right to compensation.

10.4. Joint assessments

In the case which no technical agreement is found for the solution of the complaint, a joint assessment shall be performed at a qualified agency or laboratory, to be agreed by the parties.

10.5. Settlement of non-compliances

A pending complaint shall not imply the termination of the order and, furthermore, any liability for any direct and/or indirect damage suffered by the Purchaser shall be excluded, without prejudice for the limit set forth by art. 1229 Italian Civil Code. In case of staggered deliveries, any complaint, even if timely, shall not relieve the Purchaser from the obligation to withdraw the remaining quantity of ordered items. Any complaint or objection, arisen both by way of action and as an exception, shall not entitle to any suspension of payments.

In the event which the complaints appear to be grounded following the assessment on the non compliant material performed by the specialists of RGS, the following cases may occur:

- a) repair cared by the Purchaser: the obligation charged to RGS shall be limited to the payment of a fair compensation covering the repairing cost only, as agreed by the parties;
- b) repairs cared by RGS: the obligation charged to RGS is limited to the mere restoration of the goods back to the order confirmation. At RGS's own discretion, the restoration may be performed at its own premises or in the place where the items are located;
- c) replacement of the items deemed as non compliant in the same place of the original delivery, following the return thereof
- d) items returned without replacement: the obligation charged to RGS shall be limited to the payment of a compensation falling within the maximum limit of the consideration for the items thereof, subject to return

In the case which the complaints are deemed to be lacking of grounds, RGS shall charge the costs for any on site inspection and assessment, even if performed by third parties.

11. PAYMENTS AND TITLE ON THE PRODUCT

11.1. The Purchaser shall acquire the title on the items upon hand over thereof to the freighter, or from the date of the notice of goods ready for shipment, in case of failed withdrawal or lack of delivery instructions from the Purchaser.

11.2. In the case which the payment for the items shall be performed by means of bill of exchange or other securities, they shall be delivered to the RGS headquarters at least two days prior to withdrawal or shipment of the goods

11.3. In case of failed payment within the provided deadline of even a single instalment of the price, the Purchaser shall loose the right to the deferred payments ("acceleration clause") for any pending supply as well; furthermore, RGS, may invoke the application of articles 1460 and 1461 Italian Civil Code and then hold any pending supply, excluding any liability charged to RGS for any direct or indirect damage suffered by the Purchaser and as a consequence of said suspension. In case of late payment, the Purchaser shall be obliged to pay interests on arrears at the rate set by Legislative Decree October 9th 2002 no. 231, effective from the expiration date of the agreed term.

11.4. All the invoices shall be deemed as accepted and not contested after eight days from reception thereof

11.5. The credit belonging to RGS and arising from the supply of coating services on the pipes of the Purchaser shall have the privilege on the pipes of the Purchaser pursuant to art. 2756 Italian Civil Code.

12. CONTRACT TERMINATION

RGS shall be entitled to terminate the contract without any further charge, in the case which it became aware of any default of securities, as well as the start of any injunction, ordinary, bankruptcy procedure, out of court procedures included, against the Purchaser.

13. TAXES CHARGED TO THE PURCHASER¹

13.1. With regards to sales made within the National territory, the invoiced prices shall be increased by the value added tax at the current rate as of the date of completion of the operation and not as of the date of invoicing

13.2. VAT shall not be charged for sales in other countries of the Community and on exports, according to the Law. Any tax and/or fee charged to the items when entering into said countries shall be borne by the Purchaser, in the same way as any tax and/or fee charged to the product when entering extra -EU countries

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14. PUBLICATION OF THE "GENERAL CONDITIONS OF SALE"

These "General Conditions of Sale" are made available to the public on the www.rivecogeneralsider.it website

15. GOVERNING LAW

Whatever is not expressly governed by these "General Conditions of Sale" and by the order confirmation signed by the parties, shall be governed by the rules on Sales set forth by articles 1470 and following Italian Civil Code.

16. JURISDICTION AND VENUE

The Court of the place whereat RGS has its registered offices shall have the exclusive jurisdiction on any dispute arising from the interpretation, application, execution, termination of the agreement and/or of these "General Conditions of Sale" or in any case which are related thereto, even in case of connected action, with the exclusion of any other concurring or alternative court.

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